

**INDIANA HOUSING & COMMUNITY DEVELOPMENT  
AUTHORITY  
FIRST HOME & FIRST HOME/PLUS  
PROGRAM GUIDE  
TABLE OF CONTENTS**

***THIS PROGRAM GUIDE IS ARRANGED BY SECTION THEN PAGE NUMBER  
(EXAMPLE: GEOGRAPHIC ELIGIBILITY, SECTION 1, PAGE 1, ETC.)***

**EXECUTIVE SUMMARY**

**GEOGRAPHIC ELIGIBILITY** SECTION 1

- A. Explanation of Target & Non-Target Areas

**BORROWER ELIGIBILITY** SECTION 2

- A. Definition of First Time Homebuyer
- B. Explanation of Ownership Interest
- C. Parameters of Co-signer Eligibility
- D. Definition of Income Eligibility
- E. Requirement of a Separated Borrower
- F. Homeownership Training Guidelines

**PROPERTY ELIGIBILITY** SECTION 3

- A. Type of Properties Allowed
- B. Definition of Acquisition Cost
- C. Tenant Occupancy and First Home/Plus
- D. Business Use of All or Part of Property

**MORTGAGE ELIGIBILITY** SECTION 4

- A. Requirements of Mortgage Financing

**INTEREST RATE PROCEDURES** SECTION 5

- A. Rate Change Procedure
- B. Notification of Rate Change
- C. Avenues to Check Rate

**RECAPTURE TAX** SECTION 6

- A. Explanation of Recapture Tax
- B. Sample Recapture Letter

**FEE SCHEDULE** SECTION 7

- A. Listing of various fees

**RESERVATION PROCEDURE****SECTION 8**

- A. Reservation Request
- B. Acceptable types of funds for reservation fee
- C. Modifications to Original Reservations
- D. Change of Address
- E. Transfer from Lender to Lender

**APPLICATION PROCEDURE****SECTION 9**

- A. Submission of Application Package
- B. Tips on Acceptable Tax Returns
- C. Application Package Approval
- D. Application Package Pended
- E. Cancellation by IHCD Policy
- F. Reinstatement Procedures
- G. Permanent Cancellation Policy
- H. Denied Reservations
- I. Lead Based Paint Guidelines

**CLOSING PROCEDURE****SECTION 10**

- A. Commitment Expiration Dates
- B. Late Submission of Closing Package
- C. Submission of Closing Package
- D. Extension of Commitment Expiration
- E. Cancellation by IHFA Policy
- F. Reinstatement Procedures
- G. Closing Package Approval
- H. Closing Package Pended
- I. Denied Reservation
- J. Sale to Master Servicer

**DOWN PAYMENT PROCEDURE****SECTION 11**

- A. Terms of Second Mortgage
- B. Calculation of Possible Payoffs
- C. Requesting Second Mortgage Funds
- D. Calculating second mortgage amount
- E. Completion of Promissory Note

**FORMS****SECTION 12**

- A. Contains all forms required

**US BANK HOME MORTGAGE  
SHIPPING INSTRUCTIONS****SECTION 13****PROGRAM UPDATES****SECTION 14**

**INDIANA HOUSING FINANCE AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM  
EXECUTIVE SUMMARY**

What to know about your **Borrower and their home:**

1. Borrowers must meet HUD's **income guidelines**. Income limits vary by county and are dependent on family size. (Refer to Borrower Eligibility Section). First Home/Plus limits are lower. (Also see Borrower Eligibility Section 2)
2. The home must fall under the federally determined **acquisition limits**. These vary by county.
3. Borrowers must **not have owned their principal residence** within the past three years. This restriction is waived for those who buy a home in an area that is designated as targeted. (Refer to the Geographic Eligibility Section 1)
4. Borrowers could be subject to a **recapture tax** if they sell their homes within nine years. (Refer to Recapture Tax Section 6) IHCD will refund the borrower should they ever have to pay recapture to the IRS. Please see section 6 for complete explanation
5. The home must be the Borrower's **principal residence**
6. Borrowers must complete a **Homeownership Training** program. It is recommended that Borrowers attend a HUD certified course, if possible, especially if they are receiving Down Payment Assistance  
**PLEASE NOTE, IHCD DOES NOT ACCEPT ONLINE HOMEOWNERSHIP TRAINING**
7. Property Flipping is not allowed-see section #3, Property Eligibility
8. FHA case # assignment on all FHA loans

Additional requirements for Borrowers to qualify for **Down Payment Assistance (First Home/Plus Program): Effective May 2<sup>nd</sup>, 2007 Down Payment Assistance may only be used with FHA financing. Lenders may still utilize DPA funds for HOMECHOICE, FHA/VA AND USDA DISABILITY LOANS and also USDA DIRECT loans.**

1. The level of down payment assistance (DPA) is 5 percent of the lower of the purchase price or appraised value. This percentage is capped at a maximum of \$3,500 for 5 percent DPA.
2. Borrowers under the First Home/Plus Program are no longer eligible to receive any cash back at closing.
3. **More conservative income** limits are applied for DPA.
4. **Repayment of the second mortgage** is due immediately upon the sale or refinance of the home on loans reserved **May 2, 2007** and after.
5. Borrowers may contribute additional cash resources for down payment and closing costs.
6. Any additional down payment used cannot come from another source using HUD's HOME program.

7. Any lender caught forging documents will be suspended from the program and the pertinent information will be turned over to the proper State and Local Authorities.
8. **A rental tenant must not have occupied the subject property within the past three months unless the current tenant is the purchaser.**
9. Third party inspections are required on all loans utilizing DPA funds by an IHCDCA approved inspector. A copy of the completed inspection must be included with the application package.  
**FOR A COMPLETE LISTING OF APPROVED INSPECTORS AND FOR THE 3<sup>RD</sup> PARTY INSPECTION, PLEASE VISIT LENDER ONLINE AT <http://lenderonline.in.gov>**
10. The purchase price of the property cannot exceed the fair market value.
11. The single-family **residence** cannot lie in a 100-year flood plain. If it does, IHCDCA **cannot process**. See section 3, page 3-3 #11 Property Eligibility for additional information
12. **The purchase price of a new or existing home utilizing down payment assistance funds cannot exceed the Single Family Mortgage Limits under Section 203(b). Refer to 203(b) Mortgage Limits in the Property Eligibility Section 3 of this guide.**
13. *When a preliminary approval is issued, it approves both the first and the second Mortgage. There will be a condition in lender online stating "This loan has been approved for DPA in the amount of \$\_\_\_\_\_".*
14. On properties built prior to 1978, Borrower(s) must sign the MRB-11 after the inspector has completed a visual assessment of the property and noted any lead based paint hazards on the inspection.
15. Each Borrower must sign an MRB-12 prior to preliminary approval.

**Lenders** will need to know that:

1. **THE INCOME CALCULATION FOR A BORROWER'S ELIGIBILITY IS DIFFERENT THAN THAT USED FOR MORTGAGE QUALIFICATION.** All household income must be counted. Income is calculated using current annualized income. (Refer to Borrower Eligibility Section).
2. The interest rate is subject to change. As a courtesy, IHCDCA will email a rate sheet to your company contact upon the change of the rate. Always verify the rate using IHCDCA's Lender On-Line system (see Available Funds Page), IHCDCA's website at <http://www.indianahousing.org> or the - Information Line at (317) 232-3556 or (888) 227-4452 (Refer to the Interest Rate Section.)
3. The reservation fee for reserving a MRB loan is .125%
4. Lenders may charge a 1% origination fee in addition to the \$450 that allowable in lender paid fees.
5. All loans must be sold to our Master Servicer or Sub-Servicer, US Bank Home Mortgage
6. **ALL LOANS MUST MEET AND BE UNDERWRITTEN BY FHA, VA, USDA RURAL DEVELOPMENT OR FANNIE MAE GUIDELINES OR FREDDIE MAC GUIDELINES.**

**Tax compliance questions should be directed to IHCD Single Family dept., all others should be to the Master Servicer.**

7. **Loans must have IHCD's preliminary approval prior to closing.**
8. ***LENDERS MUST BE MORTGAGE BANKERS. MORTGAGE BROKERS ARE ALLOWED IF THEY CAN OPEN, FUND AND CLOSE THE LOAN IN THEIR NAME OR IF THEY USE A PARTICIPATING LENDER TO SUBMIT THE LOAN.***
9. Co-signers and guarantors are allowed if occupying the property, as well as Co Mortgagors. **NON-OCCUPANT** CO-BORROWERS ARE **NOT** ALLOWED TO SIGN THE MORTGAGE OR Take Title.  
**In the case of a Co Signer or Co Mortgagor they will sign the note only.**
10. **A Mortgage rider is required on all loans. The rider should be attached to the FIRST MORTGAGE AND RECORDED WITH THE FIRST MORTGAGE.**
11. Lenders' fees charged to the Borrower must not exceed \$450.00. Items paid to a third party must be noted as such on the HUD-1 Settlement Statement to not be included in the \$450.00.
12. The closing package must be received by IHCD within 30 days of closing. **FINAL APPROVAL** must occur by the commitment expiration date.
13. All First Home and First Home/Plus Program reservations will be **30 year fixed rate** mortgages.
14. Lenders are now allowed to charge a one percent origination fee, it maybe charged to the Borrower or the seller.
15. **HomeChoice borrowers must be within the 5% income guideline to qualify for down payment assistance. The borrower automatically receives 10% of the lower of the purchase price or appraised value for the down payment and up to \$14,999. This program is for FNMA Conventional loans only. Freddie Mac currently does not have a disability program**
16. **First Home Disability borrowers must be within the 5% income guideline to qualify for down payment assistance. The borrower automatically receives 10% of the lower of the purchase price or appraised value for the down payment assistance up to \$14,999. This program is for those borrowers using FHA, VA or USDA as their loan type.**
17. Faxed conditions are allowed; any fee due must be over-nighted to our office or can come in with the closing package, whichever is applicable.
18. **WE STRONGLY ENCOURAGE LENDERS TO PRINT THE PROGRAM GUIDE OFF OF OUR WEBSITE TO AVOID BEING CHARGED A \$25 FEE FOR A HARD COPY.**

**7INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM**

***Geographic Eligibility***

Certain geographic areas of Indiana have been designated as Targeted Areas according to program requirements. Areas of the State not designated as Targeted Areas are referred to as Non-Targeted Areas. For each series of the First Home & First Home/Plus Programs a portion of the total funds available are set aside for loans in Targeted Areas.

***Targeted Areas are either:***

1. A Qualified Census Tract: 70 percent or more of the families have an income 80 percent or less of the statewide median family income.
2. An Area of Chronic Economic Distress: designated by the State and approved by The Secretary of the Treasury and the Secretary of Housing and Urban Development.

The targeted counties in the State of Indiana include:

Brown	Clinton	Crawford	Daviess	Dearborn
Decatur	Fayette	Franklin	Fulton	Greene
Jackson	Jasper	Jefferson	Knox	Lawrence
Miami	Ohio	Orange	Owen	Parke
Perry	Pike	Rush	Scott	Shelby
Spencer	Vermillion	Vigo	Washington	Wayne

***Targeted census tracts within non-targeted counties are listed below. The Property Appraiser must note the qualifying census tract information on the appraisal.***

<b>COUNTY</b>	<b>Census Tract Areas</b>					
Allen	000600	001200	001300	001400	001500	001600
	001700	001800	002000	002300	002700	002800
	002900	003500	004200	0011300	001000	001100
Bartholomew	010100					
	002900	003500	004200	0011303	001000	001100
Delaware	000100	000200	000300	000400	000600	000700
	000902	001000	001901			
Elkhart	002600	002800				
Floyd	070801					
Grant	000200					
Henry	976300					
Howard	000200	001200				
Jefferson	000200	000300	000400	000600	001000	001100
	001400	001500	001700	001800	002100	002300
	002400	002700	002800	003000	003500	003700
	004100	004301	004302	004900	005000	005100
	005300	005600	005900	006200	006500	006600
	012802					
Knox	955000	955300	955400			
Lake	010202	010203	010301	010302	010500	010600
	010700	010800	010900	011000	011100	011300
	011400	011600	011700	011900	012000	012100
	012200	012300	012700	020600	020700	021800
	030100	030200	030300	030400	031000	020400

LaPorte	040100					
Madison	000500					
Marion	322600	330801	341200	341600	342600	
	350100	350300	350400	350700	350800	350900
	351000	351100	351200	351500	351600	351700
	350500	352100	352300	352700	352800	353100
	353200	353300	353500	353600	353900	354200
	354400	354500	354700	354800	355000	355100
	355600	355700	355900	356400	356900	357100
	357200	357300	357400	358100	360101	360102
	360302	354900				
Monroe	000100	000201	000202	000901	001600	000301
	000600					
St. Joseph	000100	000600	001000	001700	001900	002000
	002100	002300	002700	002800	002900	
Tippecanoe	000400	000600	005300	005400	005500	010500
	010300					
Vanderburgh	001200	001300	001400	001700	001800	001900
	002000	002100	002500	002600		
Vigo	000100	000300	000500	000600	000800	000200
	001900					
Wayne	000200					

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM**

***Borrower Eligibility***

A Borrower applying for financing must meet the following eligibility requirements:

1. **Must be a first time homebuyer** (has not, at anytime during the three (3) years preceding the date of loan closing, had an ownership interest in his/her principal residence). This requirement applies only to those persons executing the loan documents, not all members of the household. **However**, Borrower(s) acquiring a residence in a Targeted Area are exempt from this requirement. See the list of Targeted Areas in Section 1 of this Guide.

A. **An ownership interest includes:**

- (1) A fee simple interest;
- (2) A joint tenancy, a tenancy in common, or a tenancy by the entirety;
- (3) The interest of a tenant shareholder in a cooperative;
- (4) A life estate;
- (5) A land contract (i.e. a contract under which possession and the benefits and burdens of ownership are transferred although legal title is not transferred until some later time);
- (6) An interest held in trust for the Borrower(s) (whether or not related by the Borrower(s)) that would constitute a present ownership interest if held directly by the Borrower(s); or
- (7) Ownership of a mobile home permanently affixed to real property and taxed as real estate.

B. **Interests that do not constitute ownership interest include:**

- (1) A remainder interest;
- (2) An ordinary lease;
- (3) A mere expectancy to inherit an interest in a principal residence;
- (4) The interest that a purchaser of a residence acquires upon the execution of a purchase contract;
- (5) An interest in other than a principal residence during the previous three (3) years; or
- (6) Ownership of a mobile home not permanently affixed to real property and taxed as personal property.



2. Co-signers and guarantors are allowed if occupying the property, as well as Co Mortgagors.

**NON-OCCUPANT** CO-BORROWERS ARE **NOT** ALLOWED TO SIGN THE MORTGAGE OR TAKE TITLE.

**In the case of a non-occupying Co Signer or Co Mortgagor they will sign the note only.**

**When submitting a application package with a co-signer please indicate on page #1 of the 1003. You may type or handwrite the wording in the co borrowers section**

3. **Must be income-eligible.** There are two levels of income eligibility: (1) Borrowers who are applying for FHA, VA, USDA Rural Development, Fannie Mae or Freddie Mac financing must meet income limits for the overall First Home Program. Income eligibility for the first mortgage varies by county and must be determined based on the income limits of the county in which the residence to be purchased is located. (2) Borrower(s) who are seeking down payment assistance through the First Home/Plus Program must meet a second, lower income threshold that also varies by county. Please note that **DOWN PAYMENT ASSISTANCE MAY ONLY BE USED FOR FHA FINANCING, HOMECHOICE, FHA/VA/USDA DISABILITY OR USDA DIRECT LOANS.** See supplement for income limits.
4. Income eligibility includes certain sources of income that a lender typically does not consider in determining eligibility or credit-worthiness for non-federally-assisted conventional financing. However, the income standards for IHCD's programs are set forth in program regulations and must be followed. The Gross Annual Income of the Borrower(s) must be considered, as well as the income of any other person intending to reside in the residence who is the age of eighteen (18) and over and not a full-time student.

**Gross Annual Income includes gross pay from employment, including any part-time, seasonal, or sporadic income, shift differentials, overtime pay, and bonuses. Gross Annual Income also includes:**

- A. Child support, alimony and separate maintenance payments;
- B. Periodic payments for trust, annuities, inheritances, insurance policies, pensions, retirement funds and lotteries;
- C. All public assistance payments (excluding Medicaid and food stamps) including any amount by which educational grants, scholarships, and/or Veteran Administration educational benefits exceed expenses for tuition, fees, books, and equipment and reasonable rent and utility costs for a student living away from home;
- D. Interest and dividends;
- E. Payments in lieu of earnings, including social security, unemployment benefits, worker's compensation, severance pay, disability or death benefits;
- F. Income from partnerships;
- G. Rental income for property owned;

- H. Recurring monetary contributions or gifts regularly received from a person not living in the residence; and
  - I. All regular pay, special pay and allowances of a member of the Armed Forces not including hazardous duty pay.
- 5. If a Borrower is separated from their spouse, a petition for the dissolution is required prior to preliminary approval.
  - 6. **Must reasonably expect to reside in the property as their principal residence within sixty (60) days** after the loan closing date on existing homes **AND** within sixty (60) days of completion for a newly constructed home.
  - 6. **Must successfully complete a Homeownership training program.** The Participating Lender may choose the type of training the Borrower receives. A certificate of completion or achievement is required in the loan application package.

**PLEASE NOTE: A Borrower who is receiving down payment assistance should receive more intensive homeownership training. A face to face or classroom course given by a HUD approved counselor is strongly recommended as IHCD A will not accept online training.**

- 8. If there are any conflicts between the guidelines of FHA, VA, USDA Rural Development, Fannie Mae or Freddie Mac and the program, please contact IHCD A. Any questions other than tax compliance should be directed to the Master Servicer.

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM**

***Property Eligibility***

Property standards are determined by the type of financing, the Borrower(s) is using (FHA, VA, USDA Rural Development, Fannie Mae or Freddie Mac).

The proceeds of the loans must be used to acquire the principal residence of the Borrower(s). The residence must meet the following requirements:

1. The property must be located in the State of Indiana.
2. The property must be:
  - A. A single-family house, including a manufactured home which is permanently affixed to real estate (MANUFACTURED ALLOWED ON FHA ONLY):OR  
  
Please follow current Fannie Mae, Freddie Mac or FHA criteria when the property is a condominium or planned unit development
3. The acquisition cost of the residence must not exceed the applicable Program acquisition cost limits for an existing home or for a newly constructed home (see supplement). The term "acquisition cost" means the cost of acquiring a residence from the seller(s) as a completed residential unit. The acquisition cost includes:
  - A. All amounts paid, either in cash or in kind, by the Borrower(s) (or a related party for the benefit of the Borrower(s)) to the Seller(s) (or a related party of the Seller(s)) as consideration for the residence;
  - B. If the residence is incomplete, the reasonable cost of completing the residence whether or not financed by the loan;
  - C. If the residence is in need of repair and the repairs are necessary to make the residence habitable, to meet the stricter of Indiana or local building codes, or to meet program requirements, the reasonable cost of making the repairs whether or not financed by the loans. Repair escrows are permissible where the repairs to be undertaken are not for items that pose a threat to occupant health and safety;
  - D. Settlement and financing costs in excess of those amounts that are usual and reasonable;
  - E. Property taxes, if not prorated between ownership by Borrower and Seller (e.g., Borrower pays next installment due); and
  - F. The cost of the land **or** if a gift, the appraised value is to be added to acquisition if the Borrower has owned the land for **less than two years prior to construction.**

**Acquisition cost does not include:**

- G. Usual and reasonable settlement and financing costs including:
    - (1) Title and transfer costs;
    - (2) Title Insurance;
    - (3) Survey fees and other similar costs;
    - (4) Credit reference fees;
    - (5) Legal fees;
    - (6) Appraisal expenses;
    - (7) Usual and reasonable financing points;
    - (8) Structural and systems or pest inspections;
    - (9) Other related costs of financing the residence; and
    - (10) **Land owned by the Borrowers for more than two years prior to construction.**
  - H. The imputed value of “sweat equity” performed by the Borrower(s) or members of the Borrower(s) immediate family.
- 3. **For the First Home/Plus Program only**, the subject property must not have been occupied by a tenant within the past three months unless the tenant is the purchaser.
  - 4. Property Flipping is not allowed regardless of program type – If the property was sold in the past 90 days, IHCDCA will not process the loan. If it is between 91-180 days, and the new appraised value is 100% more than what it originally sold for IHCDCA requires a second appraisal.
  - 5. The amount paid to the seller(s) for consideration for the residence cannot be higher than it would be had the sale occurred without the benefit of the Program.
  - 6. **The Borrower must reasonably expect to reside in the property as his principal residence within sixty (60) days** after the loan closing date on existing homes **OR** within sixty (60) days of completion for a newly constructed home.
  - 7. No more than fifteen percent (15%) of the total area of the principal residence can be used **exclusively** as:
    - A. The Principal place of business for, or connected with, any trade or business on an exclusive or regular basis;
    - B. A place where inventory is held for use in the trade or business of the selling of products at wholesale or retail but only if the residence is the sole fixed location of such trade business; or

C. A place used on a regular basis in the trade or business.

8. **If the Borrower(s) is obtaining a FHA mortgage using IHCD A DPA Program or any First Home/Plus Program loan regardless whether Homechoice, FHA, VA, USDA Disability or USDA Direct, receipt of Third Party Inspection by an approved inspector must accompany the application package. Please see our website for a complete list of approved IHCD A inspectors. Also the inspector is responsible for completing HUD's lead visual inspection Internet training. See our website for a direct link to HUD's website.**

All appraisals must be conducted by licensed appraisers.

Any adverse property conditions noted by the Inspector and documented on the Third Party Inspection must be submitted with the application package as well as documentation of the inspection results. The IHCD A Underwriter will make the final decision as to what deficiencies will need to be corrected prior to loan closing. The final disposition of the conditions needing correction must be documented on the Compliance Inspection Report for HUD-92051. A copy of the final Compliance Inspection Report must be submitted with the Closing Package. **It is only necessary to obtain a FHA case number if the Borrower(s) will be obtaining a FHA first mortgage. Lenders may obtain a list of approved Inspectors for the 3<sup>rd</sup> party inspections from Lender Online <http://lenderonline.in.gov>**

9. The purchase price of a home using down payment assistance funds cannot exceed the HOME 203(b) Mortgage Limits OR IHCD A'S maximum acquisition limit for the county in which the subject property is located. **Refer to chart attached HOME 203(b) Mortgage Limits and IHCD A'S maximum acquisition limits. The lower of the two becomes the maximum. All IHCD A documents should reflect the Maximum Acquisition Limit.**
10. The purchase price of the property cannot exceed the fair market value. **(Required on First Home/Plus only.)**
11. The single-family **residence** cannot lie in a 100-year flood plain. **(Required on First Home/Plus only.) If it does IHCD A cannot process the loan.** There is no special requirement if the property lies in a 500-year flood plain. The Master Servicer requires all loans to have flood certifications. Properties which fall under zone "C" and "X" are fine. If the flood certification shows the property is located in a zone "A" or "E". The loan would be required to carry flood insurance.

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM**

***Mortgage Financing Eligibility***

The proceeds of the loans must be used to acquire the principal residence of the Borrower(s). The mortgage financing must meet the following requirements:

1. The loans cannot finance the following:
  - A. Acquisition of personal property;
  - B. Land not appurtenant to the residence;
  - C. Land appurtenant to the residence but not necessary to maintain the basic livability of the residence and which provides, other than incidentally, a source of income to the Borrower(s); or
  - D. Settlement and financing costs that are in excess of that considered usual and reasonable.
2. IHCD funds cannot refinance an existing loan or replace existing financing for the property.
  - A. Financing includes deeds of trust, pledges, agreements to hold title in escrow, and any other form of ownership financing. **A construction loan carrying a term of less than two years is acceptable.**
  - B. Conditional land sale contracts may be considered existing financing.
3. The closing date of the loan **cannot** precede the Conditional Commitment Date located at the top of the Preliminary Approval Letter.
4. **NO ASSUMPTIONS WILL BE ALLOWED ON ANY IHCD LOAN.**
5. FANNIE MAE'S FANNIE 97, HOMECHOICE, FIRST HOME/ONE DOWN, COMMUNITY SOLUTIONS OR MYCOMMUNITY MORTGAGE PROGRAMS FOR CONVENTIONAL LOANS ARE PERMITTED IN THE PROGRAM AS WELL AS FREDDIE MAC'S HOME POSSIBLE.  
**LENDERS MAY USE DOWN PAYMENT ASSISTANCE ON FHA, HOMECHOICE, FHA/VA/USDA DISABILITY and USDA DIRECT LOANS!**
7. **One Note Construction-to-perm loans are allowed when using IHCD programs. Loans utilizing this type of financing must be completed within 180 days from the date of reservation. Because the loan will close upfront, the application package must still be submitted to our office for preliminary approval prior to the closing date and the closing package once the construction is complete. Extension fees and late charges could be applicable if construction isn't completed timely.**

**NOTE 1: To alleviate problems, please be certain that the Borrower and the property qualify for the program. NOTE PROPERTY FLIPS ARE NOT ALLOWED.**

**IHCDA will have continuous lending. Therefore there should not be a risk in waiting to make the reservation if you are in doubt.**

**NOTE 2: IHCDA encourages the lender to provide information to the Borrower concerning an energy efficiency rating being performed on the subject property prior to purchase. This rating could result in the Borrower qualifying for an energy efficient mortgage (EEM). Brochures detailing how to have a rating performed may be obtained by calling Community Action Association at (317) 638-4232 or by visiting their website at <http://www.incap.org>**

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM**

***Interest Rate Change Procedures***

To manage IHCD's continuous lending program the interest rate may change daily. Interest rate changes will be based on two factors (1) the number of reservations taken during a specific time period and (2) the market rate. If the market rate were to substantially increase overnight and reservations increased, a rate change would be warranted. There will be **one** rate for FHA/VA, USDA Rural Development and Fannie Mae and also Freddie Mac.

***Notification of Rate***

IHCD's Interest Rate Change Committee will meet as needed to decide if a rate change is warranted. *As a courtesy, a rate sheet will be emailed to your office contact detailing the date of change and rate, also this information will be available on Lender Online Even if you do not receive notice of a rate change, the interest rate charged will be that which is determined by the Committee.*

*Please refer to your reservation confirmation from IHCD before submitting your application package to verify the correct rate.*

For rate information, please check the IHCD website at <http://www.indianahousing.org> The Information and Rate Line may also be checked at (317) 232-3556 or (888) 227-4452. This line may be directly accessed 24 hours a day. Lender On-Line will always give the current interest rate.

**It is your responsibility to check the rate prior to taking a loan application.**



**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM  
THE FEDERAL RECAPTURE TAX**

***The Following Provisions Apply Only to the First Mortgage***

The first mortgage in the First Home & First Home/Plus Programs are funded from the proceeds of an IHCD Mortgage Revenue Bond. Therefore, Borrower(s) participating in the Programs could be subject to the Federal Recapture Tax under certain conditions as discussed below.

Congress enacted legislation in 1988, subsequently amended in October 1990, to recapture some or the entire subsidy from homebuyers who receive qualified mortgage bond assistance after January 1, 1991. This includes all buyers who use IHCD mortgage loans and Mortgage Credit Certificates (MCC). The purpose of recapture was to receive the subsidy from homeowners who received rapid income increases after they purchased their home and, as a result, did not need the subsidy to remain homeowners. The Federal Recapture Tax on the first mortgage under the Program is triggered when a disposition, usually a sale, of the financed residence takes place within nine (9) years of the purchase date. The amount of recapture that Borrower(s) might have to pay depends on how much their incomes have increased, their family size at the time of sale, the original amount of the first mortgage, the length of time they owned their home and any gain realized on disposition of the home.

The Borrower(s) is responsible for calculating and paying the recapture amount, if any, as additional Federal Tax Liability for the tax year in which the home is disposed. The amount of the recapture tax will not exceed 50% of the gain on the disposition of the home realized by the Borrower(s).

No recapture tax is due if any of the following occurs:

- (a) The Borrower(s) dispose of the residence later than nine (9) years after the mortgage loan is closed;
- (b) The home is disposed of as the result of the Borrower(s) death;
- (c) The Borrower transfers the home to a spouse or former spouse incident to divorce and no gain or loss was incurred on the transfer and included in his federal taxable income;
- (d) The home was disposed of at a loss; or
- (e) The Borrower(s) modified adjusted gross income for the year in which the home is sold does not exceed the threshold income adjusted for family size for such year. Modified adjusted gross income is calculated as follows:

Adjusted Gross Income from IRS 1040	\$	_____
Tax exempt income earned for the year	+	_____
Gain on sale of the home	-	_____
Modified adjusted gross income	=	\$ _____

There are several steps required to calculate the actual recapture amount owed. Adjustments may be made depending on the number of years the home is owned prior to disposition and the Borrower(s) income at the time of filing of the Federal Tax Return for the year of the disposition. The following outlines the steps involved in the calculation:

#### ***Threshold income (Adjusted Qualifying Income)***

The threshold income is the maximum allowable federal income limit for the First Home Program (not the First Home/PLUS Program income limits), for the area in which residence is located at the time the Borrower was qualified for the First Home Program. Each year of the nine- (9) year holding period the threshold income is increased by 5% from the previous years' threshold income. The threshold income for each of the nine (9) years is provided to the Borrower(s) in the *Notice to Borrower(s) of Maximum Recapture Tax and of Method to Compute Recapture Tax on the Disposition of Home* letter.

#### ***Holding Period Percentage***

The percentage is based on the year in which the disposition occurs after the loan closing date according to the following table:

Disposition Within Month of Closing:	1 - 12	20%
	13 - 24	40%
	25 - 36	60%
	37 - 48	80%
	49 - 60	100%
	61 - 72	80%
	73 - 84	60%
	85 - 96	40%
	97 - 108	20%
	109 or more	No Recapture Tax

#### ***Maximum Recapture Amount***

The federally subsidized amount, which is 6.25%, *multiplied* times the original amount of the first mortgage, *multiplied* times the holding period percentage.

#### ***Income Percentage***

The modified adjusted gross income of the Borrower(s) for the taxable year in which the disposition occurs *minus* the threshold income *divided* by 5000.

#### ***Adjusted Recapture Amount***

The maximum recapture *multiplied* times the income percentage.

#### ***Recapture***

Equals the lesser of the adjusted recapture amount or one-half the gain realized on the disposition of the residence.

#### ***Limitations and Special Rules on Recapture Tax***

- (a) If you give away your home (other than to your spouse or ex-spouse incident to a divorce) you must determine your actual recapture tax as if you had sold your home for its fair market value;

- (b) If your home is destroyed by fire, storm, flood, or other casualty, there generally is no recapture tax if, within two (2) years, you purchase additional property for use as your principal residence or construct a new residence on the site of the home financed with your original subsidized mortgage loan;
- (c) In general, except as provided in future regulations, if two (2) or more persons own a home and are jointly liable for the subsidized mortgage loan, the actual recapture tax is determined separately for them based on their interests in the home;
- (d) Refinancing of the first mortgage does not result in a recapture tax liability. If the home is disposed of after the refinancing but prior to the original nine (9) year holding period recapture tax may be due. The holding period adjustment for the period in which the first mortgage was outstanding would be used for calculating the recapture amount.

Within (90) days from the date of the Final Approval IHCDa will send to each Borrower a *Notice to Borrower(s) of Maximum Recapture Tax and of Method to Compute Recapture Tax on Disposition of Home*. A sample of this notice is included on the following pages. Borrower(s) should keep this notice for future reference in calculating the recapture tax.

**IHCDA has eliminated the worry of recapture for those borrowers who may owe this tax at the time of sale of their home. Indiana Housing will reimburse borrowers who pay recapture tax or for the reduction in their refund due to recapture tax (the "Recapture Amount"). PLEASE SEE YOUR MRB-13 FORM FOR COMPLETE DETAILS**

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAMS  
FEE SCHEDULE**

***IHCDA Reservation Fee:***

**.125% of the First Mortgage Amount**

***Closing Package Late Submission Fee:***

Closing Packages received more than 30 days after closing must be submitted with a fee equal to .25% of the total mortgage amount.

***Extension Fee:***

For Closing Package Submission, .25% of the First Mortgage Amount for one 30-day extension or if the closing package is received more than 30 days after the closing date.

There are no extensions for an Application/Closing Missing Document Letter.

***Reinstatement Fees:***

Cancelled Because:

Application Package Non-Compliance	\$ 150.00
Closing Package Late/Non-Compliance	\$ 150.00

***IHCDA Training fees:***

<i>Off site at lender location</i>	<i>\$150.00 (includes 2 program manuals)</i>
<i>On Site at IHCDA offices</i>	<i>No charge</i>
<i>Program guide in binder</i>	<i>\$25.00</i>

***IHCDA Reservation Fee Refunds:***

The full .125% IHCDA reservation fee will be refunded upon the Lender's request for cancellation of the reservation if the application package has not been reviewed by IHCDA. **Reinstatement, extension, late submission fees are not to be paid by the borrower and are not refundable.**

If IHCDA has reviewed the application package, .25% of the first mortgage amount will be retained by IHCDA and the remaining reservation fee received by IHCDA will be refunded to the lender upon cancellation or denial.

### ***Participating Lender Fee Structure:***

Fees paid by the participating lender to IHCDA for the First Home/PLUS Program are non-refundable and are as follows:

1. Lender participation fees will be collected from participating lenders at the opening of the program in 2006. *(Please see fee schedule)* Any lenders choosing to sign up later in the year will be required to pay fees at that time. All participating lenders are required to execute the Mortgage Origination and Sales Agreement and Program Registration Form. A Program Registration Form must be executed for each participating branch.  
**Corporate and Closing Contact offices of participating lenders may receive Program Guides and Bulletins without paying a fee by filling out a Corporate or a Closing Contact Program Registration Form.,**
2. Participation Fees are based on the preceding years performance and an invoice will be submitted to your company for payment. Participating Lenders must complete at least 6 loans per year to participate in the next year's program.

### ***Participating Lender Compensation:***

1.40% of the First Mortgage Amount (Upon sale of the loan to the Master Servicer)

The originator will receive a 1% origination fee

**Indiana Housing & Community Development Authority  
FIRST HOME & FIRST HOME/PLUS PROGRAMS  
RESERVATION REQUEST PROCEDURES**

***Preliminary Eligibility Review***

Before making a reservation, the Participating Lender is required to receive a fully executed Purchase Agreement. The Participating Lender should then determine if the home is located in a Targeted Area or Non-targeted Area and whether the Borrower qualifies as to income, acquisition cost of the home and prior home ownership. Lender will also need to verify that home is not a property flip. **NOTE: YOU CANNOT RESERVE A LOAN THAT YOU CANNOT CLOSE, i.e. IF YOUR COMPANY CANNOT CLOSE A VA LOAN IN YOUR NAME DO NOT RESERVE IT.**

**THE BORROWER CANNOT EXECUTE IHCD's DOCUMENTS WITHOUT AN IHCD RESERVATION NUMBER.**

***Reservation Request***

Reservations are processed by the lender via Lender On-Line. **All reservations will be accepted subject to availability of funds.** Lender On-Line will confirm the reservation number(s) Immediately.

The reservation confirmation should be placed in the Borrower(s) file for future reference.

When the application package is submitted to IHCD for review the participating lender must furnish IHCD with:

1. A check (Borrower(s)' certified funds or Participating Lender's check) payable to the Authority for the applicable reservation fee (See Section 7 for the Fee Schedule). EACH RESERVATION FEE MUST BE IN A SEPARATE CHECK. **IHCD DOES NOT ACCEPT CASH OR COINS.** Please round all amounts **UP** to the next cent; and
2. A copy of the Lender's pre-application form (URLA).

Any reservation fee overages will be refunded after the loan is purchased by US Bank.

**RESERVATION FEES AND THE PRE-APPLICATION SHOULD ARRIVE BEFORE OR WITH THE APPLICATION PACKAGE. IF FEES ARE NOT RECEIVED YOUR OFFICE WILL BE NOTIFIED THAT THE RESERVATION FEES ARE DUE AND THE PACKAGE WILL BE HELD FOR TWO WEEKS. IF THE FEES ARE NOT RECEIVED WITHIN THE TWO-WEEK PERIOD THE FILE WILL BE RETURNED TO YOUR OFFICE.**

***Modifications***

A Participating Lender must request, in writing, any change to a Borrower(s)' reservation, subject to the following conditions: **IF APPLICABLE PRIOR TO SENDING PACKAGE. OTHERWISE SEE THE FOLLOWING**

1. Mortgage amount increase request will be subject to the availability of funds, and will not be approved until IHCD receives the balance of the reservation fee due. Please include the purchase price & loan amount (original & revised) in your written request. **Mortgage decreases can be made when the closing package is received.**

2. Change of Address. **Requests must be submitted in writing to IHCD A along with a new reservation checklist and must include the reason for the change. At IHCD A's discretion, the file containing the "old address" will be canceled and a new reservation will be made for the "new address". Once the file has been reserved under the new address, it will be considered a new reservation, EXCEPT FOR THE INTEREST RATE. THE RATE IT WAS ORIGINALLY RESERVED AT WILL APPLY. A completely new application package will be required.**

3. IHCD A will not allow a transfer of a reservation from one Borrower to another.

4. IHCD A will allow a transfer of a reservation from one Participating Lender to another. The original Participating Lender must submit a letter stating that the reservation and the reservation fees are to be transferred to the new Participating Lender. The new Participating Lender must submit a letter stating that they will accept the transfer of the reservation. The new Lender cannot close without submitting a new application package. The loan application will not "start over" in the IHCD A processing system because of an approved Lender change. **All due dates will remain intact.**

### **REINSTATEMENT OF CANCELED RESERVATIONS**

A Borrower whose reservation has been canceled cannot be re-reserved. The reservation must be reinstated. A request to reinstate a Borrower must be made in writing before the request can be considered by IHCDA. **Any reservation canceled for 30 days or more CANNOT be reinstated.**

**THE BORROWER CANNOT TRANSFER FROM FIRST HOME OR FIRST HOME/PLUS TO A MORTGAGE CREDIT CERTIFICATE.**

#### ***Transfer from One Interest Rate to Another***

Once a Borrower has been reserved at one interest rate, the lender cannot request it be changed to a different rate.

#### ***Participating Lender's Cancellation of a Reservation***

If the Participating Lender determines that it will not close a loan for which it has received a reservation number, the Participating Lender should notify IHCDA in writing as soon as possible. All refunds will be issued to the Participating Lender and mailed to the Participating Lender's closing contact (**checks will not be made out or mailed to the Borrower**). Reinstatement or extension fees are not refundable. To obtain a refund of the reservation fee, the following information must be included in the letter:

1. Borrower(s) name(s);
2. Reservation number;
3. Property address;
4. Loan amount(s) reserved (both first and second mortgages);
5. Amount of reservation fee submitted; and
6. Reason for cancellation.

**REFUND CHECKS ARE PROCESSED EVERY OTHER TUESDAY.**

**REFUND CHECKS WILL BE MAILED DIRECTLY TO THE PARTICIPATING LENDER!**



**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAMS  
APPLICATION PACKAGE SUBMISSION**

Lenders are encouraged to pre-qualify Borrowers for credit eligibility whenever possible, loan applications (URLA) can be dated prior to the date of the purchase/sales agreement.

**NOTE: IHCD's DOCUMENTS CANNOT BE DATED PRIOR TO THE DATE OF THE RESERVATION.**

**As IHCD will be periodically changing the interest rate from time to time, please refer to your reservation confirmation to verify the rate.**

***Due Date and Submission***

The Participating Lender is responsible for performing a thorough investigation to determine that both the Borrower(s) and the property meet Program requirements. The following information must be submitted to IHCD to obtain preliminary approval needed to close:

- (1) Reservation Fee
- (2) Document Order Checklist - **Original** (MRB-1 dated 3/07)
- (3) Loan Application - **Copy** (FNMA 1003)
- (4) Borrower's Application Agreement - **Original** (MRB-2 dated 3/07)
- (5) Household Income Statement - **Original** (MRB-3 dated 3/07)
- (6) Photocopies of past three years' tax returns - **1722 Original**
- (7) Income Tax Affidavit - **Original** (if applicable - MRB-5 dated 3/07)
- (8) Divorce Decree or Legal Separation Agreement, if applicable - **Copy**
- (9) Acquisition Cost Worksheet - **Original** (MRB-6 dated 3/07)
- (10) Purchase/Sales Agreement fully executed - **Copy**
- (11) Appraisal with third party inspection by an approved FHA inspector - **Copy**
- (12) Certificate of Completion of Homeownership Training - **Copy**
- (13) Lead Based Paint Acknowledgment - **Original** (MRB-11 dated 3/07 **(DPA only)**)
- (14) Ethnicity Acknowledgement - **Original** (MRB-12 dated 3/07) one for each Borrower **(DPA only)**
- (15) Receipt of appraiser's certification of completion of HUD's Lead Based Paint Visual Assessment Course - **Copy (DPA only)**
- (16) **Recapture Tax Reimbursement Affidavit (MRB-13 dated 3/07)**
- (17) Relocation and Acquisition Disclosure to the Seller (MRB-14 dated 3/07)
- (18) Borrower's Down Payment Assistance Acknowledgement (MRB-4 dated 3/07)

***The Application Package must be fastened in a legal size file folder and "Acco" fastened to the right inside cover. PLEASE DO NOT USE STAPLES.***

**If the loan amount has changed please make a note of it in the file and enclose the additional reservation fees if applicable.**

**Tax Returns**

The top of the tax return must be completed with the Borrower/Co-Borrower's social security number, address and signed as sent to the IRS. IHCD must be provided the original 1722 if applicable. The Electronic Filing with the tax transcript is accepted as well. Telefile returns must have the confirmation number written in.

Acceptable Tax Returns are as follows:

1040 with all applicable schedules, 1040A, 1040EZ, Telefile, Transcripts from the IRS, or 1040PC (detailed schedule of the Electronic Filing Form). Please make sure that the borrowers name; address, city, state and zip code appear on page #1 of all returns including transcripts.

### ***Application Package Submission Approval***

All files will be reviewed in the order that they are received. The Authority will underwrite the file within 72 hours from the date the file is logged in.

*There is a 24- hour turnaround on application conditions.*

***Lenders are encouraged to check Lender Online for status.***

*When IHCD A determines that the application package is complete and in compliance with program requirements, IHCD A will issue a preliminary approval letter. **Please read the preliminary approval letter and verify that the information agrees with your records. The closing date of the loan cannot precede the conditional commitment dated located at the top of the preliminary approval letter.** This letter will also list a conditional commitment expiration date (located at the top of the approval letter). IHCD A must receive a completed closing package prior to the conditional commitment expiration date. The closing package must indicate that there have been no material changes that would result in Borrower or property ineligibility.*

**ALL SECOND MORTGAGE DOCUMENTS SHOULD BE INCLUDED IN YOUR LOAN FILE SHIPPED TO US BANK FOR PURCHASE OF YOUR LOAN. THE LENDER WILL NEED TO SUBMIT THE ORIGINAL 2<sup>nd</sup> NOTE (S) AND A COPY OF THE SECOND MORTGAGE AND A COPY OF THE HUD 1 SETTLEMENT STATEMENT.**

***Lenders are encouraged to check Lender on Line for status.***

When IHCD A determines that the application package is complete and in compliance with program requirements, IHCD A will issue a preliminary approval letter. **Please read the preliminary approval letter and verify that the information agrees with your records. The closing date of the loan cannot precede the conditional commitment date located at the top of the preliminary approval letter.** This letter will also list a conditional commitment expiration date (located at the top of the approval letter). IHCD A must receive a completed closing package prior to the conditional commitment expiration date. The closing package must indicate that there have been no material changes that would result in Borrower or property ineligibility.

### ***Application Package Submission (Pended)***

If IHCD A needs additional information or if the application package is incomplete, the application package will be “pended” and IHCD A will issue a missing document letter. The additional information or corrected documents must be submitted to IHCD A within 30 days of the original date of the missing document letter. Even if the file is “updated” the documents are still required 30 days from the original date of the letter. **The file must be approved in 30 days. Generally, there are no extensions allowed for missing document letters. On a case-to-case basis, additional time may be allowed for extenuating circumstances.**

### ***Cancellation and Permanent Cancellation***

If IHCD A cannot approve the loan within 30 days of the date of the missing document letter, IHCD A will cancel the reservation the Wednesday following the due date.

At the time of cancellation, the lender has 30 additional days to re-instate the file. If on the 31st day after cancellation the loan has not been re-instated and approved, the file will be

**PERMANENTLY CANCELED. AT THIS POINT THERE WILL BE NO FURTHER REINSTATEMENTS. THE APPROPRIATE REFUND WILL BE PROCESSED AND RETURNED TO THE ORIGINATING LENDER.** Refunds are in accordance with the Fee Schedule found in Section 7.

***Denied Reservation***

IHCDA may issue a denial letter if the information included in the application package indicates that the Borrower(s) or the property does not meet program requirements. IHCDA will cancel denied loans ten days after the date on the denial letter. IHCDA will retain a portion of the reservation fee (see Fee Schedule) and the remainder of the reservation fee will be refunded to the Participating Lender within 14 days.

***Bi-Weekly Lender Reports***

Lenders are now able to view all loan status' on-line via Lender On-Line. The application and/or closing contacts will be responsible for setting up others in the Lender offices and closing centers for the on-line reports. Access to these reports is **intended to eliminate** the need for telephone calls to verify loan status, expiration dates, and fee status.

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME & FIRST HOME/PLUS PROGRAM  
CLOSING PACKAGE SUBMISSION**

***Due Date***

The loan closing package must receive **final** approval prior to the Commitment Expiration Date on the Preliminary Approval Letter. The Commitment Expiration Date is **90** days from the date of reservation on ALL properties **EXCEPT** on new construction loans then it is **180** days from the date of reservation. **Additionally**, the closing package must be received within 30 days of the closing date. If the package is received by the 31<sup>st</sup> day or after, a late fee of .25% of the first mortgage amount will be assessed and must be paid prior to obtaining final approval.

***Submission***

After the loan closing, the Participating Lender forwards to IHCD the executed closing package, which consists of the following:

- (1) Extension fees, reinstatement fees or balance of reservation fees (if appl.)
- (2) Closing transmittal letter (MRB-7 dated 3/07) - **Original**
- (3) Copy of final loan application (typed and signed) (FNMA 1003) - **Copy**
- (4) Borrower's closing affidavit (MRB-8 dated 3/07) - **Original**
- (5) Authorization for Sellers Signature (if appl.) - **Copy**
- (6) Seller's affidavit (MRB-9 dated 3/07) - **Original**
- (7) HUD - 1 Settlement Statement - **Copy**
- (8) Participating Lender's Closing Certificate (MRB-10 dated 3/07) **Original**
- (9) Termite Inspection signed by Borrowers - **Copy**
- (10) Conditions on the appraisal - **Copy**

**IHCD documents cannot be dated prior to the date of closing.**

***The closing package must be hole-punched at the top with all forms "Acco"-fastened together. The closing package should not be submitted in a folder.***

***Closing Package Submission Extension***

Requests for one 30 day extension of the closing package submission will be considered by IHCD on a case-by-case basis and granted at the sole discretion of IHCD and only if funds remain available. IHCD will only consider a request for extension after receiving:

1. A written request that enumerates the **specific reasons** for the extension request, prior to the conditional commitment expiration date on the approval letter; and
2. An extension fee (for one 30 day extension). A copy of the fee structure can be found at the back of Section 7.

***Cancellation***

If the Participating Lender fails to deliver the closing package by the due date, IHCD will cancel the reservation on the Thursday following the due date. If the closing

package is not delivered by the due date but before cancellation, the applicable extension fee will be due. The Participating Lender may file a written request for reinstatement of the canceled reservation.

Subject to the availability of funds, IHCD A will review requests for reinstatement of the reservation. Such extensions will be granted solely at the discretion of IHCD A and will only be considered upon the submission of:

1. A written request for reinstatement and submission of the closing package;
2. The reinstatement fee; and
3. The extension fee (for each 30-day extension requested). A copy of the fee schedule is included in the back of section 7.

#### ***Closing Package Submission Approval***

If IHCD A determines the closing package is in compliance with Program requirements, IHCD A will issue a final approval letter to the lender **and** a copy to the Master Servicer or Sub-Servicer.

**For Down Payment Assistance loans, LOANS RESERVED 5/2/07 AND AFTER THE ORIGINAL SECOND MORTGAGE NOTE AND A COPY OF THE SECOND MORTGAGE AND A COPY OF THE HUD SETTLEMENT STATEMENT IS TO BE SENT DIRECTLY TO US BANK FOR PROCESSING. SEE US BANK'S DELIVERY GUIDE**

#### ***Closing Package Submission (Pended)***

If IHCD A requires additional information or the closing package is incomplete, the closing package will be ***pended*** and IHCD A will issue a missing document letter. The additional information or corrected documents must be submitted to IHCD A within 30 days of the original date of the missing document letter. Even if the file is "updated" the documents are still required 30 days from the original date of the letter. The file must be approved in 30 days. Generally, there are no extensions allowed for a pend letter. Additional time may be granted for extenuating circumstances on a case-by-case basis.

#### ***Cancellation and Permanent Cancellation***

If IHCD A cannot approve the loan within 30 days of the date of the letter, IHCD A will cancel the reservation on the Thursday following the due date.

AT THE TIME OF CANCELLATION, THE LENDER HAS 30 DAYS TO RE-INSTATE THE FILE. **IF ON THE 31ST DAY AFTER CANCELLATION THE LOAN HAS NOT BEEN RE-INSTATED, THE FILE WILL BE PERMANENTLY CANCELED. AT THIS POINT THERE WILL BE NO FURTHER RE-INSTATEMENTS.** THE APPROPRIATE FEES WILL BE REFUNDED TO THE ORIGINATING LENDER.

#### ***Denied Reservation***

IHCD A may issue a denial letter if the information included in either the application package or the closing package indicates that the loan does not meet program requirements. IHCD A will cancel denied loans ten days from the date on the denial

letter and return the funds to the reservation window. IHCD A will retain a portion of the reservation fee and the remainder of the reservation fee will be refunded to the Participating Lender within 14 days.

***The Borrower(s) cannot pay ANY Extension, reinstatement, or late submission fees. Once paid, these fees are not refundable! The Lender, Real Estate Agent, Seller or Builder may pay these fees.***

***ANY LENDER WHO ALLOWS THE BORROWERS TO PAY ANY OF THE ABOVE MENTIONED FEES WILL HAVE TO REFUND THOSE FEES TO THE BORROWER AND SHOW PROOF OF THE REFUND TO IHCD A. THE LENDER MAY FACE PROBATION IN IHCD A'S PROGRAMS.***

#### **FORMS:**

##### ***Transmittal Letter***

Be sure to mark whether the property is New Construction or Existing housing and whether the property is located in a Targeted or Non-Targeted Area. This information is listed on the line Census Tract or NSA description. A list of Targeted areas may be found in Section 1 of this guide.

##### ***Borrower(s) Closing Affidavit***

The Borrower(s) must review the Borrower(s) Application Agreement and note any changes that have occurred to the statements made on the Application Agreement. If no changes have occurred, Section 1a. must be marked. If changes have occurred, Section 1b should be marked and the changes should be noted in the blank provided. (If necessary, additional sheets may be attached).

Borrower(s) must sign the Borrower(s) Closing Affidavit in the presence of the Lender's representative. The Lender's representative must sign and date the Borrower(s) Closing Affidavit as a witness and aver that the Lender believes the information included therein to be correct. **The lender cannot sign and date prior to the date of the Borrower.**

##### ***Seller's Affidavit***

If an Agent of the Seller(s) signs the Seller(s) Affidavit, evidence of the Agent's authorization to act on behalf of the Seller must be included with the closing package. The Lender's representative must sign and date the Seller(s) Affidavit as a witness and aver that the Lender believes the information included therein to be correct. The lender cannot sign and date prior to the date of the seller. **PLEASE CHECK THIS DOCUMENT CAREFULLY AS IT IS OFTEN DIFFICULT TO LOCATE THE SELLER(S) AFTER CLOSING.**

***Sale to the Master Servicer or Sub-Servicer***

The Master Servicer is to purchase the loan within 30 days of the date of closing unless otherwise approved by IHCD. A.

The Master Servicer is instructed to purchase loans weekly.

In the event that the first mortgage cannot be purchased by the Master Servicer or Sub-Servicer, the originating lender would be required to retain the first mortgage. If the first mortgage is made in conjunction with IHCD's down payment assistance, the lender will retain both the first and second mortgage and the DPA funds must be returned to IHCD.

**INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY  
FIRST HOME/PLUS  
DOWN PAYMENT ASSISTANCE**

The First Home/Plus Program offers down payment assistance in the form of a loan secured by a second mortgage to certain qualified Borrowers ("second mortgage"). For any loans reserved prior to **5/2/2007**, The second mortgage is subordinated to the prior purchase money mortgage (first mortgage), is at zero percent (0%) interest, and will be forgiven if the Borrower(s) continues to reside in the residence and does not refinance for at least five years. The balance owing will be the calculated as follows:

- A. Gross proceeds of sale less the total of:
- (i) Normal and customary closing costs
  - (ii) The balance of the second mortgage subtracting the amount forgiven in accordance with the following table:

<u>Number of Months Borrower Resided in Property</u>	<u>Percentage Forgiven</u>
0-24	0%
25-36	25%
37-48	50%
49-59	75%
60 and over	100%

If a Borrower refinances his or her first mortgage and second mortgage(s), there would not be a prorata shared net proceeds calculation. The applicable portion would be forgiven and the remainder paid by the Borrower. The second mortgage may also be forgiven if the disposition is the result of a foreclosure and the net proceeds are zero.

**Loans reserved after May 2nd 2007**

**Down Payment funds may only be used on FHA, FHA Disability, HOMECHOICE, VA/USDA Disability and USDA Direct loans.**

**For all loans reserved 5/2/2007 and after there is no affordability period associated with the second mortgage if the borrower refinances or sales, the second mortgage is due and payable immediately.**

***Second mortgage Request Form***

Borrower(s) will receive a second mortgage of 5 percent of the sales price or the appraised value of the property whichever is less. Five percent assistance is capped at \$3,500. For all Disability loans the DPA is capped at 10% up to a maximum of \$14,999. To assure that second mortgage funds are available at the time of closing, lenders must complete a Second Mortgage Funding Request and submit the request to IHCD A no less than 10 business days prior to the scheduled closing date. A copy of this form is included in this section. The form must be faxed to IHCD A at (317) 233-2558. Upon receipt of the form, IHCD A will request the second mortgage funds from HUD and forward the funds to the designated party for the closing date.

**If the lender wishes to close the loan prior to 10 business days, they may fund the loan. If this is the case, the lender should fill out the second mortgage fund request accordingly.**



BEFORE YOU CALL PLEASE VERIFY THAT YOU HAVE NOT RECEIVED THE FUNDS. THEY MAY HAVE BEEN WIRED A DAY OR TWO PRIOR TO CLOSING.

**Neither the first nor second mortgage can be closed prior to the date of IHCD's issuance of a conditional commitment. If this situation occurs the originating lender shall retain the first and second mortgages. The second mortgage funds shall immediately be returned to IHCD. In the event that the first mortgage is not purchased, for any reason, by the Master Servicer or Sub-Servicer the originating lender shall keep the first and second mortgages and return the second mortgage funds to IHCD.**

### **Instructions**

**PLEASE NOTE THESE INSTRUCTIONS ARE FOR DPA LOANS RESERVED PRIOR TO MAY 2<sup>ND</sup> 2007**

Calculate the second mortgage amount based on the lesser of appraised value or purchase price and round the number **down** to the nearest whole dollar. To determine the first mortgage amount, subtract the amount of the second mortgage from the lesser of the appraised value or purchase price. If the amount of the first mortgage will be further reduced by a Borrower(s) cash contribution, please indicate the amount on the form. The Participating Lender must sign the form.

### **Second mortgage Execution Information**

In the Forms section you will find copies of the Promissory Note and the Second Real Estate Mortgage. The second mortgage is due upon maturity. Maturity is defined as the first to occur of the following:

- (a) Sale of Property;
- (b) Payoff or refinancing of the first mortgage on the Property; or
- (c) Change in Borrower(s) principle place of residence from the property.

**The Lender or borrower will contact US Bank directly in the case of a payoff on loans that close May 2nd and after.**

Forgiveness of the debt is covered on page two of the Promissory Note. The Affordability period is five (5) years. After five (5) years, if all other conditions of the Mortgage and Note have been met, the second mortgage will be forgiven on loans reserved prior to May 2nd 2007.

**On loans reserved May 2nd 2007 and after, there is no affordability period and all Down Payment Assistance funds must be paid back immediately upon sale or refinance of the borrowers residence.**

The block on the second page of the Promissory Note should be completed as follows:

Annual Percentage Rate	0%
Finance Charge	\$0
Amount Financed	The amount of the second mortgage
Total of Payments	The amount of the second mortgage
Number of Payments	One (1)
Amount of Payments	The amount of the second mortgage
When Payments are Due	Upon Maturity

Filing/Recording Fees

The applicable amount

Truth-in-lending disclosure requirements for the second mortgage are covered in the block on the first page of the Promissory Note as indicated above, and any right-of-recession is covered under the first mortgage documents.

**IHCDA will not allow the second mortgage to be subordinated at any time to any claim except the original first mortgage. Please explain this to the Borrower.**

CONVENTIONAL LOAN DELIVERY CHECKLIST

BORROWER \_\_\_\_\_ PROGRAM \_\_\_\_\_

ORIGINATING LENDER \_\_\_\_\_ Indicate  
CONTACT \_\_\_\_\_ PRODUCT:  
PHONE \_\_\_\_\_  
Loan Number \_\_\_\_\_  
(USBHM) \_\_\_\_\_

\_\_\_\_\_ CUSTOMER IDENTIFICATION NOTICE (PATRIOT ACT)\* Indicate  
\*for USBHM underwritten loans only PRODUCT:

\_\_\_\_\_ ORIGINAL NOTE & 1 COPY \*Endorsed to U.S. Bank N.A.  
\_\_\_\_\_ NAME AFFIDAVIT, IF APPLICABLE - 2 COPIES

\_\_\_\_\_ REQUIRED SECOND MORTGAGE DOCUMENTATION (if applicable)  
\_\_\_\_\_ ORIGINAL NOTE & 1 COPY  
\_\_\_\_\_ (PAY TO THE ORDER OF "INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY")  
\_\_\_\_\_ Mortgage / DEED OF TRUST - 2 COPIES

\_\_\_\_\_ Mortgage / DEED OF TRUST - 2 COPIES  
\_\_\_\_\_ CONVENTIONAL TAX EXEMPT RIDER (MORTGAGE ADDENDUM) / CONDO-PUD-1-4 FAMILY RIDER (IF APPLICABLE) - 2 COPIES  
\_\_\_\_\_ ASSIGNMENT OF MORTGAGE - 2 COPIES \*Assigned to U.S. Bank N.A.

\_\_\_\_\_ FIRST PAYMENT LETTER with payment breakdown, first payment date

\_\_\_\_\_ HUD-1 & AGGREGATE ESCROW ANALYSIS DISCLOSURE - 2 COPIES  
\*DPA SOURCE MUST BE DISCLOSED ON HUD 1

\_\_\_\_\_ DPA Acknowledgement form

\_\_\_\_\_ COPY OF TITLE COMMITMENT OR SHORT FORM TITLE POLICY - 2 COPIES  
\_\_\_\_\_ TAX CERTIFICATION - 2 COPIES \*\*Proof of payment if applicable

\_\_\_\_\_ HAZARD INSURANCE POLICY OR BINDER WITH 1 YR. PROOF OF PAYMENT - 2 COPIES  
\_\_\_\_\_ MORTGAGEE CLAUSE LETTER, (HAZARD/FLOOD) - 2 COPIES

\_\_\_\_\_ FLOOD CERTIFICATION & DISCLOSURES - 2 COPIES \*Must be Life of Loan and transferrable to USBHM  
\_\_\_\_\_ FLOOD INSURANCE BINDER WITH 1 YR. PROOF OF PAYMENT (IF APPLICABLE) - 2 COPIES  
\_\_\_\_\_ WIND/HAIL INSURANCE ( IF APPLICABLE) - 2 COPIES

\_\_\_\_\_ SIGNED MI CERTIFICATE / EVIDENCE OF PAYMENT TO MI COMPANY - 2 COPIES

\_\_\_\_\_ COPY OF W-9 FOR PRIMARY BORROWER

\_\_\_\_\_ IRS FORM 4506 OR 8821 (FOR SELF-EMPLOYED BORROWERS ONLY OR IF UNDERWRITER REQUESTS)

\_\_\_\_\_ FINAL TRUTH-IN-LENDING \*signed and dated at closing

\_\_\_\_\_ NOTICE OF POTENTIAL RECAPTURE TAX

\_\_\_\_\_ FINAL TYPED LOAN APPLICATION \*must be signed by interviewer and borrowers

\_\_\_\_\_ BORROWER AUTHORIZATION FOR REFERRAL TO COUNSELING - required on all Community Lending products

\_\_\_\_\_ SURVEY (IF NO ALTA 9)

\_\_\_\_\_ ASSURANCE /CERTIFICATE OF COMPLETION  
\_\_\_\_\_ TERMITE REPORT / SOIL TREATMENT GUARANTEE IF REQUIRED FOR STATE

\_\_\_\_\_ COMPLIANCE OR ERRORS & OMISSIONS AGREEMENT

\_\_\_\_\_ 1008 (Fannie Mae) or 1077 (Freddie Mac) UNIFORM UNDERWRITING TRANSMITTAL  
\_\_\_\_\_ UNDERWRITER'S APPROVAL WITH COPIES OF CONDITIONS IF APPLICABLE

\_\_\_\_\_ CREDIT UNDERWRITING PACKAGE:

INITIAL LOAN APPLICATION  
INITIAL TRUTH-IN-LENDING  
DU / LP FINDINGS/UW APPROVAL  
PURCHASE AGREEMENT  
FINAL INSPECTIONS  
GOOD FAITH ESTIMATE

APPRAISAL  
CREDIT REPORTS  
NOTICE OF SALE ASSIGNMENT OF SERV. RIGHTS/RESPA  
VOE'S  
VOD'S OR ALT. DOCUMENTS

Fannie Mae	SFC	Fannie Mae	SFC
		MCM 97	460
Standard		MCM 100	480
BOND	X 088	MCM COM SOL MAN UW	481
OTHER*		MCM HM CH DU APPVL	325
IDENTIFY OTHER		MCM HM CH MAN UW	222
		Conv 95% (Standard)	n/a
Freddie Mac	SCC	Freddie Mac	SCC
		Home Possible 97	G00
Std 5%	n/a	Home Possible 100	G01
Std 10%	n/a	HP Neighborhood Sol 97	G02
Std 15%	n/a	HP Neighborhood Sol 100	G03
Std 20%	n/a	Affordable Hsg Initiative*	71
Bond	545	*Also use with all HP Ins	
		Transfer of Serv (ALL)	X 510
		Aff Hsg w/TLTV >100%	535

Hazard Insurance Loss Payee Clause & Address:  
U.S. BANK N.A.  
its successors and or assigns as their interest may appear.  
c/o U.S. Bank Home Mortgage  
P.O. Box 7298  
Springfield, OH 45501-7298

FHA LOAN DELIVERY CHECKLIST

BORROWER \_\_\_\_\_ PROGRAM \_\_\_\_\_

ORIGINATING LENDER \_\_\_\_\_

CONTACT \_\_\_\_\_

PHONE \_\_\_\_\_

Loan Number \_\_\_\_\_  
(USBHM)

☐ CUSTOMER IDENTIFICATION NOTICE (PATRIOT ACT)      *\*USBHM underwritten loans only*

☐ ORIGINAL NOTE & 1 COPY *\*Endorsed to **U.S. Bank N.A.***

☐ NAME AFFIDAVIT, IF APPLICABLE - 1 COPY

**REQUIRED SECOND MORTGAGE DOCUMENTATION - if applicable**

☐ ORIGINAL NOTE & 1 COPY      (PAY TO THE ORDER OF "INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY")

☐ Mortgage / DEED OF TRUST - 2 COPIES

☐ MORTGAGE / DEED OF TRUST - 2 COPIES

☐ FHA TAX EXEMPT RIDER (UNIFORM MORTGAGE RIDER) /CONDO-PUD RIDER (IF APPLICABLE) -2 COPIES

☐ ASSIGNMENT OF MORTGAGE - 2 COPIES *\*Assigned to **U.S. Bank N.A.***

☐ FIRST PAYMENT LETTER *with payment breakdown, first payment date*

☐ HUD-I & AGGREGATE ESCROW ANALYSIS DISCLOSURE - 2 COPIES

***\*DPA SOURCE MUST BE DISCLOSED ON HUD I***

☐ DPA Acknowledgement form

☐ COPY OF TITLE COMMITMENT OR SHORT FORM TITLE POLICY & 1 COPY

☐ TAX CERTIFICATION - 2 COPIES *\*\*Proof of payment if applicable*

☐ HOMEBUYER EDUCATION CERTIFICATE, IF APPLICABLE

☐ HAZARD INSURANCE POLICY WITH 1 YR. PROOF OF PAYMENT & 1 COPY

☐ MORTGAGEE CLAUSE LETTER, (HAZARD/FLOOD) - 2 COPIES

**Hazard Insurance Loss Payee Clause & Address:**  
**U.S. BANK N.A.**  
its successors and or assigns as their interest may appear.  
c/o U.S. Bank Home Mortgage  
P.O. Box 7298  
Springfield, OH 45501-7298

☐ FLOOD CERTIFICATION & DISCLOSURES - 2 COPIES *\*Must be Life of Loan and transferrable to USBHM*

☐ FLOOD INSURANCE BINDER WITH 1 YR. PROOF OF PAYMENT (IF APPLICABLE)& 1 COPY

☐ WIND / HAIL INSURANCE (IF APPLICABLE)

☐ COPY OF W-9 FOR PRIMARY BORROWER

☐ FINAL TYPED LOAN APPLICATION *\*must be signed by interviewer and borrowers*

☐ MORTGAGE CREDIT ANALYSIS WORKSHEET (MCAW)

☐ HUD 92900A- DIRECT ENDORSEMENT APPROVAL

☐ LOAN MUST BE FHA INSURED IF OLDER THAN 90 DAYS FROM CLOSING

☐ SURVEY *\*if required or charged for on HUD-I*

☐ FINAL TRUTH-IN-LENDING *\*signed and dated at closing*

☐ ASSURANCE / WARRANTY OF COMPLETION, IF APPLICABLE

☐ TERMITE REPORT / SOIL TREATMENT GUARANTEE

☐ MIP TRANSMITTAL FORM

☐ NOTICE OF POTENTIAL RECAPTURE TAX

☐ COMPLIANCE OR ERRORS & OMISSIONS AGREEMENT

☐ IRS FORM 4506 OR 8821

**CREDIT UNDERWRITING PACKAGE:**

INITIAL LOAN APPLICATION	<input type="checkbox"/>
INITIAL TRUTH-IN-LENDING	<input type="checkbox"/>
DU FINDINGS/UW APPROVAL	<input type="checkbox"/>
COPIES OF UW CONDITIONS	<input type="checkbox"/>
PURCHASE AGREEMENT	<input type="checkbox"/>
FINAL INSPECTIONS	<input type="checkbox"/>
GOOD FAITH ESTIMATE	<input type="checkbox"/>

<input type="checkbox"/>	APPRAISAL
<input type="checkbox"/>	CREDIT REPORTS
<input type="checkbox"/>	VOE'S
<input type="checkbox"/>	VOD'S OR ALT. DOCUMENTS
<input type="checkbox"/>	NOTICE OF SALE ASSIGNMENT OF SERV. RIGHTS/RESPA

**FILE DELIVERY INFORMATION:**

**Loan File Delivery Address:**  
**U.S. Bank Home Mortgage - MRBP Division**  
**17500 Rockside Road**  
**Bedford, OH 44146**  
**Attn: MRBP Operations Deparment**

**BORROWER PAYMENT INFORMATION:**

**Borrower Payment Address:**  
**U.S. Bank Home Mortgage**  
**P.O. Box 468002**  
**Bedford, OH 44146-8002**  
[www.usbankhomemortgage.com](http://www.usbankhomemortgage.com)

RD LOAN DELIVERY CHECKLIST

BORROWER

PROGRAM

ORIGINATING LENDER

CONTACT

PHONE

Loan Number (USBHM)

CUSTOMER IDENTIFICATION NOTICE (PATRIOT ACT)

*\*for USBHM underwritten loans only*

ORIGINAL NOTE & 1 COPY *\*Endorsed to U.S. Bank N.A.*

NAME AFFIDAVIT, IF APPLICABLE - 1 COPY

REQUIRED SECOND MORTGAGE DOCUMENTATION - *if applicable*

ORIGINAL NOTE & 1 COPY (PAY TO THE ORDER OF "INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY")

Mortgage / DEED OF TRUST - 2 COPIES

DPA ACKNOWLEDGEMENT FORM - 1 COPY

MORTGAGE / DEED OF TRUST - 2 COPIES

TAX EXEMPT RIDER (UNIFORM MORTGAGE RIDER) **Required** / CONDO-PUD-1-4 FAMILY RIDER (IF APPLICABLE) - 2 COPIES

ASSIGNMENT OF MORTGAGE - 2 COPIES *\*Assigned to U.S. Bank N.A.*

FIRST PAYMENT LETTER *with payment breakdown, first payment date*

HUD-I & AGGREGATE ESCROW ANALYSIS DISCLOSURE - 2 COPIES

*\*DPA SOURCE MUST BE DISCLOSED ON HUD I*

COPY OF TITLE COMMITMENT OR SHORT FORM TITLE POLICY & 1 COPY

TAX CERTIFICATION - 2 COPIES *\*\*Proof of payment if applicable*

HOMEBUYER EDUCATION CERTIFICATE, IF APPLICABLE

HAZARD INSURANCE POLICY WITH 1 YR. PROOF OF PAYMENT & 1 COPY

MORTGAGEE CLAUSE LETTER, (HAZARD/FLOOD) - 2 COPIES

FLOOD CERTIFICATION & DISCLOSURES - 2 COPIES *\*Must be Life of Loan and transferrable to USBHM*

FLOOD INSURANCE BINDER WITH 1 YR. PROOF OF PAYMENT (IF APPLICABLE)& 1 COPY

WIND/HAIL INSURANCE ( IF APPLICABLE)

COPY OF W-9 FOR PRIMARY BORROWER

IRS FORM 4506 OR 8821

FINAL TYPED LOAN APPLICATION WITH SIGNATURES & CAIVRS# TO APPEAR ON SIGNATURE LINE / signed by interviewers and borrowers

RD CONDITIONAL COMMITMENT WITH SIGNATURES - RD 1980-18

EXECUTED RD REQUEST FOR SFH LOAN GUARANTY - RD 1980-21

GUARANTEED LOAN CLOSING REPORT - 1980-19

FMHA 1980-11

LOAN MUST BE RD INSURED IF LOAN IS OLDER THAN 90 DAYS FROM CLOSING

SURVEY *\*if required or charged for on HUD I*

FINAL TRUTH-IN-LENDING *\*signed and dated at closing*

WARRANTY OF COMPLETION / TERMITE REPORT / SOIL TREATMENT GUARANTEE

NOTICE OF POTENTIAL RECAPTURE TAX

COMPLIANCE OR ERRORS & OMISSIONS AGREEMENT

CREDIT UNDERWRITING PACKAGE:

INITIAL LOAN APPLICATION

INITIAL TRUTH-IN-LENDING

DU FINDINGS/UW APPROVAL

COPIES OF UW CONDITIONS

PURCHASE AGREEMENT

FINAL INSPECTIONS

GOOD FAITH ESTIMATE

APPRAISAL

CREDIT REPORTS

VOE'S

VOD'S OR ALT. DOCUMENTS

NOTICE OF SALE ASSIGNMENT OF SERV. RIGHTS/RESPA

RD DOCUMENTS:

THERMAL REQUIREMENTS AND COMPLIANCE STANDARDS

WARRANTY COVERAGE

WATER QUALITY CHECK

EVIDENCE OF INSPECTED WASTEWATER SYSTEM

DEFICIENCIES CORRECTED

PROPERTY SOUND & FUNCTIONALLY ADEQUATE & QUALIFIED INSP

RD NEW CONSTRUCTION:

CONSTRUCTION INSPECTION REPORT

FINAL INSPECTION

RD 1924-25

CERTIFIED PLANS & SPECS & BUILDER WARRANTY

FORM 410-9 OR 410-10 PRIVACY ACT

EEO CLAUSE 400-1 OR 400-6 EOA

FILE DELIVERY INFORMATION:

Loan File Delivery Address:

U.S. Bank Home Mortgage - MRBP Division

17500 Rockside Road

Bedford, OH 44146

Attn: MRBP Operations Department

BORROWER PAYMENT INFORMATION:

Borrower Payment Address:

U.S. Bank Home Mortgage

P.O. Box 468002

Bedford, OH 44146-8002

www.usbankhomemortgage.com

VA LOAN DELIVERY CHECKLIST

BORROWER \_\_\_\_\_ PROGRAM \_\_\_\_\_

ORIGINATING LENDER \_\_\_\_\_

CONTACT \_\_\_\_\_

PHONE \_\_\_\_\_

Loan Number \_\_\_\_\_

(USBHM)

CUSTOMER IDENTIFICATION NOTICE (PATRIOT ACT) *\*for USBHM underwritten loans only*

ORIGINAL NOTE & 1 COPY *\*Endorsed to U.S. Bank N.A.*

NAME AFFIDAVIT, IF APPLICABLE - 1 COPY

MORTGAGE / DEED OF TRUST - 2 COPIES

VA TAX EXEMPT RIDER (UNIFORM MORTGAGE RIDER) /PUD RIDER (IF APPLICABLE) - 2 COPIES

ASSIGNMENT OF MORTGAGE - 2 COPIES *\*Assigned to U.S. Bank N.A.*

REQUIRED SECOND MORTGAGE DOCUMENTATION - *if applicable*

ORIGINAL NOTE & 1 COPY (PAY TO THE ORDER OF INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY)

Mortgage / DEED OF TRUST - 2 COPIES

FIRST PAYMENT LETTER *with payment breakdown, first payment date*

HUD-I & AGGREGATE ESCROW ANALYSIS DISCLOSURE - 2 COPIES

*\*DPA SOURCE MUST BE DISCLOSED ON HUD I*

DPA Acknowledgement form

COPY OF TITLE COMMITMENT OR SHORT FORM TITLE POLICY & 1 COPY

TAX CERTIFICATION & 1 COPY

HOMEBUYER EDUCATION CERTIFICATE, IF APPLICABLE

HAZARD INSURANCE POLICY WITH 1 YR. PROOF OF PAYMENT & 1 COPY

MORTGAGEE CLAUSE LETTER, (HAZARD/FLOOD) - 2 COPIES

FLOOD CERTIFICATION & DISCLOSURES - 2 COPIES *\*Must be Life of Loan and transferrable to USBHM*

FLOOD INSURANCE BINDER WITH 1 YR. PROOF OF PAYMENT (IF APPLICABLE)& 1 COPY

WIND/HAIL INSURANCE ( IF APPLICABLE)

COPY OF W-9 FOR PRIMARY BORROWER

IRS FORM 4506 OR 8821

FINAL TYPED LOAN APPLICATION *\*must be signed by interviewer and borrowers*

SURVEY *\*if required or charged for on HUDI*

FINAL TRUTH-IN-LENDING *\*signed and dated at closing*

TERMITE REPORT / SOIL TREATMENT GUARANTEE

NOTICE OF POTENTIAL RECAPTURE TAX

VERIFICATION OF PAID VA FUNDING FEE (ON HUD ACCEPTABLE)

VA26-1866A - CERTIFICATE OF COMMITMENT

VA26-1843 - VA CERTIFICATE OF REASONABLE VALUE, IF APPLICABLE

VA26-6393 - LOAN ANALYSIS

VA1820-26 - REPORT & CERTIFICATION OF LOAN DISBURSEMENT

LOAN MUST BE VA INSURED IF OLDER THAN 90 DAYS FROM CLOSING

COMPLIANCE OR ERRORS & OMISSIONS AGREEMENT

CREDIT UNDERWRITING PACKAGE:

INITIAL LOAN APPLICATION

INITIAL TRUTH-IN-LENDING

DU FINDINGS/UW APPROVAL

COPIES OF UW CONDITIONS

PURCHASE AGREEMENT

FINAL INSPECTIONS

GOOD FAITH ESTIMATE

APPRAISAL

CREDIT REPORTS

VOE'S

VOD'S OR ALT. DOCUMENTS

NOTICE OF SALE ASSIGNMENT OF SERV. RIGHTS/RESPA

Hazard Insurance Loss Payee Clause & Address:

U.S. BANK N.A.

its successors and or assigns as their interest may appear.

c/o U.S. Bank Home Mortgage

P.O. Box 7298

Springfield, OH 45501-7298

FILE DELIVERY INFORMATION:

Loan File Delivery Address:

U.S. Bank Home Mortgage - MRBP Division

17500 Rockside Road

Bedford, OH 44146

Attn: MRBP Operations Department

BORROWER PAYMENT INFORMATION:

Borrower Payment Address:

U.S. Bank Home Mortgage

P.O. Box 468002

Bedford, OH 44146-8002

[www.usbankhomemortgage.com](http://www.usbankhomemortgage.com)